

## CONGRESS CALLS ON LEAVITT TO PAY STATES BACK

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FOR IMMEDIATE RELEASE

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WASHINGTON, DC

— Today, U.S. Representatives Rahm Emanuel (D-IL), Charles Rangel (D-NY), John D. Dingell (D-MI), Henry Waxman (D-CA), Pete Stark (D-CA), Sherrod Brown (D-OH), Rosa DeLauro (D-CT), Benjamin Cardin (D-MD) and Frank Pallone (D-NJ) released a letter to the Secretary of Health and Human Services, Michael Leavitt calling on him to release the funding that Centers for Medicare and Medicaid Services (CMS) promised 46 states.

"When millions of beneficiaries were leaving the pharmacies empty-handed in the first weeks of this program, state governments had no choice but to step in. In Illinois, Governor Rod Blagojevich released state funds to help seniors and people with disabilities get the prescription drugs they needed," said Emanuel. "Our states bailed the federal government out of a hundred million dollar problem, and our tax payers deserve to be paid back."

On January 1, 2005, the Medicare drug program went into effect and by January 14, states across the country enacted emergency measures to ensure that dual eligible seniors get their drugs. On January 24, 2006, the Centers for Medicare and Medicaid Services (CMS) announced plans to reimburse states that implemented temporary coverage for these seniors and people with disabilities. To date, no state has been reimbursed.

"It is past time for Medicare to reimburse states for temporarily picking up the federal government's prescription drug tab. California, for example, is due \$51 million after filling 686,000 prescriptions for 218,000 individuals," said Stark. "But reimbursement should never have been necessary. Had Congress authorized a real prescription drug benefit within Medicare rather than a subsidy to buy private insurance, seniors and people with disabilities would never have been turned away from pharmacies without necessary drugs."

"Because of a flawed formula in the law, states like Ohio are already paying more than their fair share for the new drug coverage. Paying back the states for unforeseen start-up costs shouldn't be an afterthought; it should be an imperative," said Brown.

"No one in need should ever have to leave the pharmacy without the lifesaving drugs they rely on. Yet if states like CT did not intervene, this is exactly what would have happened under the new Medicare law. The federal government must reimburse states for stepping in where the Medicare law fell short," said DeLauro.

"When the Part D program took effect, the federal government failed in its responsibility to provide the most vulnerable beneficiaries with the medicines they were promised. I commend the nation's governors for providing emergency assistance, and I call on the federal government to make good on its promise to reimburse the states. State governments should not be left holding the bag for the federal government's failure to adequately implement the Part D program," said Cardin.

"Throughout the confusing rollout of the new prescription drug plan, New Jersey stepped up and did its part to ensure seniors received the medications they were promised," Pallone said. "As my home state is struggling to close a budget shortfall by cutting critical services, it's simply unacceptable for the Bush administration to drag its feet in repaying our states."

Members of the U.S. Senate, headed by Senator Frank Lautenberg (D- NJ), signed a similar letter to Secretary Leavitt.

"I hope Secretary Leavitt is bringing a check when he visits to New Jersey to pay back our taxpayers who are footing the bill for his agency's mistakes," said Lautenberg. "The Bush administration unfairly wants our seniors to make a decision about this complicated Medicare plan by May 15th, or face a penalty. That is just unfair."

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